

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1659

February 18, 2020

SUMMARY OF BILL: Prohibits the Division of TennCare (Division) from requiring or permitting responsible parties of a recipient of medical assistance to supplement or reimburse the Division for any benefit or benefits rendered to the recipient.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$27,700,000/FY20-21 and Subsequent Years

Other Fiscal Impact – The provisions of the proposed legislation conflict with federal law. Federal funding for TennCare’s CHOICES and ECF CHOICES programs will be in jeopardy in FY20-21 and subsequent years.

Assumptions:

- Federal law requires individuals receiving institutional and home and community based services to contribute towards their cost of care.
- The proposed legislation will have a significant impact on the Division’s Estate Recovery program that enables them to collect money from the estates of members who have passed away and received long-term services and supports as well as the CHOICES and ECF CHOICES programs which require members to contribute towards their cost of care.
- Prohibiting the Division from recouping payments through the Estate Recovery program would require the state to be responsible for both the state and federal portions, which totaled \$27,692,950 in calendar year 2019.
- The recurring increase in state expenditures in FY20-21 and subsequent years is estimated to be \$27,700,000.
- The CHOICES and ECF CHOICES programs require the Division to use institutional eligibility and post-eligibility rules for individuals receiving services under a Section 1915(c) waiver. The proposed legislation prohibits this and would put the Division out of compliance with federal law, which will jeopardize funding that exceeds \$1,000,000,000 for both programs in FY20-21 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The script is cursive and fluid, with the first letters of each name being capitalized and prominent.

Krista Lee Carsner, Executive Director

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